

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and)	WC Docket No. 11-42
Modernization)	
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link Up)	WC Docket No. 03-109

COMMENTS OF MEDIA ACTION GRASSROOTS NETWORK

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SUMMARY

Collectively, the Media Action Grassroots Network (“MAG-Net”) member organizations submitting these comments represent communities of color, low-income communities, tribal communities, and immigrant populations, in both rural and urban areas. As it has throughout the course of this Lifeline and Link Up modernization proceeding, MAG-Net welcomes the opportunity to comment on reforms designed to increase subscribership in these programs that facilitate universal service and promote adoption by individuals in these least-served communities. For the constituents of MAG-Net’s member organizations, making affordable telecommunications services available to low-income individuals is key to achieving social justice, economic equality, and a wide range of positive outcomes dependent in today’s society on access to essential communications tools.

In initial comments and replies filed during the Joint Board’s Lifeline/Link Up proceeding in 2010, MAG-Net Commenters and other parties recommended that the Commission ultimately take steps to (1) raise the income threshold and streamline verification for Lifeline eligibility, (2) automatically enroll in the Low-Income program residents of homeless shelters as well as current participants in state and federal need-based support programs, and (3) provide support for adoption of advanced communications services such as mobile voice, mobile broadband, and wireline broadband.

MAG-Net Commenters vigorously endorsed the expansion of the Low-Income program to support broadband while maintaining support for Lifeline voice services. As the MAG-Net Commenters explained, mobile communications services and broadband access alike are increasingly indispensable for all members of society, including members of typically

marginalized groups, underserved regions, and low-income individuals, all of whom can utilize these tools for a variety of economic, educational, civic, and social activities.

The Commission must update and modernize the Low-Income program in this fashion to fulfill its universal service mission. The MAG-Net Commenters are gladdened to see that the Commission set forth for comment in this docket several of the beneficial suggestions made by MAG-Net and others during the Joint Board proceeding. Yet, the Commission's most recent notice of proposed rulemaking also proposes protections against putative waste, fraud, and abuse, along with a cap on the size of the Low-Income funding mechanisms, which if improperly implemented could increase barriers to adoption and deny Lifeline and Link Up assistance to eligible recipients.

The MAG-Net Commenters support efforts to improve the fund's accountability and thereby maximize the benefits that flow to intended recipients. Yet the Commission should not adopt any cap for Lifeline/Link Up, nor take any missteps that would diminish the utility of the program for vulnerable populations, nor wait for the conclusion of any broadband "pilot" program experiments to initiate a comprehensive transition of the Low-Income program. The Commission must transition these funds to provide explicit support for broadband access and services, so as to ensure that all eligible recipients can access this century's crucial telecommunications platforms.

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Media Access Project, on behalf of the Access Humboldt, Center for Media Justice, Center for Rural Strategies, Center for Social Inclusion, Chicago Media Action, Global Action Project, Institute for Local Self Reliance, Main Street Project, Media Alliance, Media Justice League, Media Literacy Project, Media Mobilizing Project, National Latino Farmers & Ranchers Trade Association, Open Access Connections, Partnership of African American Churches, People’s Production House, PCUN Pineros y Campesinos Unidos del Noroeste, Reel Grrls, and Thousand Kites (collectively, “MAG-Net” or the “MAG-Net Commenters”), submits these comments in response to the Commission’s *Notice of Proposed Rulemaking* (“*NPRM*”) in the above-captioned dockets.¹

¹ See Lifeline and Link Up Reform and Modernization; Federal-State Joint Board on Universal Service; Lifeline and Link Up, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, *Notice of Proposed Rulemaking*, 26 FCC Rcd 2770 (2011) (“*NPRM*”).

While responding to new proposals put forward and issues raised in the *NPRM*, these comments generally follow upon and reinforce comments and replies² submitted by MAG-Net members and allies in response to the Federal-State Joint Board *Referral Order* proceeding conducted during the Summer of 2010.³

INTRODUCTION

As always, MAG-Net seeks through its participation in these proceedings to provide the Commission with information regarding the communications service needs of individuals who utilize the Lifeline and Link Up mechanisms that make up the Universal Service Fund (“USF”) Low-Income program. The intended beneficiaries of these vital initiatives include members of communities of color, low-income communities in diverse urban and rural areas alike, immigrant populations, tribal communities, and other similarly disadvantaged and presently underserved groups.

In the MAG-Net Joint Board Comments filed in July 2010, MAG-Net member organizations urged the Joint Board to recommend steps that would (1) raise the 135% of federal poverty level income maximum threshold for Lifeline eligibility; (2) automatically enroll in the USF Low-Income program residents of homeless shelters as well as current participants in state and federal need-based support programs; and (3) consider the current trend towards adoption of broadband and of mobile communications, particularly in conjunction with review of the so-

² See Comments of Media Action Grassroots Network, CC Docket No. 96-45, WC Docket No. 03-109 (filed July 15, 2010) (“MAG-Net Joint Board Comments”); Reply Comments of National Hispanic Media Coalition; Media Action Grassroots Network; United Church of Christ, Office of Communication, Inc.; Benton Foundation; and Access Humboldt, CC Docket No. 96-45, WC Docket No. 03-109 (filed July 30, 2010) (“Public Interest Reply Comments”).

³ See, e.g., Federal-State Joint Board on Universal Service; Lifeline and Link Up, CC Docket No. 96-45, WC Docket No. 03-109, *Order*, 25 FCC Rcd 5079 (2010) (“*Referral Order*”).

called one-per-household rule, the Commission's related definition of eligible residences and households, and the Low-Income program's outreach efforts more generally.

On the whole, the MAG-Net Commenters continue to support strongly the "expansion of the low-income program to broadband, as recommended in the National Broadband Plan,"⁴ along with changes to the Lifeline and Link Up programs designed to make these mechanisms more supportive mobile and broadband connectivity for low-income individuals.⁵ As the MAG-Net Commenters explained, mobile voice and data applications and broadband capability are increasingly vital for – and broadly used by – members of typically marginalized groups and low-income individuals, who utilize these tools to take advantage of opportunities for economic advancement, better self-reliance, political organizing, civic engagement, educational improvement, artistic expression, and social interaction.

The MAG-Net Commenters, allied organizations, and a wide range of participants in the Joint Board proceeding submitted ample evidence that improving support for mobile telephony, mobile broadband, and wireline broadband services – while maintaining existing Lifeline support for voice service⁶ – would represent a crucial evolution in the Low-Income program. MAG-Net Commenters noted at the time that such modernization is necessary for the Commission to fulfill its universal service mission in the evolving 21st Century economy. Thus, they called for Lifeline and Link Up reforms that would support new adopters and users of wireless telephony

⁴ *Referral Order* ¶ 1 (citing FEDERAL COMMUNICATIONS COMMISSION, CONNECTING AMERICA: THE NATIONAL BROADBAND PLAN 172-173 (rel. Mar. 16, 2010) ("National Broadband Plan" or "NBP")).

⁵ See MAG-Net Joint Board Comments at 2.

⁶ See, e.g., Traci L. Morris, *et al.*, Native Public Media and New America Foundation, *New Media, Technology, and Internet Use in Indian Country: Quantitative and Qualitative Analyses*, at 5 (June 2010), available at http://www.nativepublicmedia.org/images/stories/NPM-NAF_New_Media_Study_2009_small.pdf ("Analog telephone reaches only one in three families in many tribal communities.").

and mobile broadband services in typically marginalized communities, while improving outreach capabilities and eligibility requirements for all Low-Income program participants.

The Commission took up and set forth for comment in this docket several of the beneficial suggestions made by MAG-Net and others during the Joint Board proceeding, and MAG-Net welcomes the opportunity in these comments to emphasize once more the benefits of expanded eligibility guidelines and improved outreach initiatives.

The *NPRM* also proposes new “protections against waste, fraud, and abuse” and methods to “control the size of the program.”⁷ The MAG-Net Commenters support efforts to improve accountability in the Low-Income program to maximize the benefits that flow to intended recipients. They nonetheless caution the Commission against counter-productive steps that instead would increase barriers to adoption by the very individuals that Lifeline and Link Up are supposed to help. As the *NPRM* quite correctly notes, growth in the size of the Low-Income fund “is not necessarily indicative of waste, fraud, and abuse.”⁸ MAG-Net commenters therefore oppose the imposition of a cap on Low-Income assistance,⁹ because such a limitation inexorably would lead to diminution or denial of Lifeline and Link Up assistance to fully qualified and eligible recipients in need of support.

Finally, the MAG-Net Commenters offer herein some brief recommendations regarding the “pilot program” approach, as suggested by the National Broadband Plan and discussed in the *NPRM*, for transitioning the Low-Income fund to support broadband access and services.¹⁰ MAG-Net recognizes the potential value of such pilot programs, which could “test different

⁷ *NPRM* ¶ 1.

⁸ *Id.* ¶ 144.

⁹ *See id.* ¶ 145.

¹⁰ *See, e.g., id.* ¶¶ 273, 279-302.

approaches to providing support for broadband to low-income consumers across different geographic areas” and could address “unique barriers faced by certain groups of low-income non-adopters such as Tribal communities or Americans for whom English may be a second language.”¹¹ Nevertheless, the MAG-Net Commenters respectfully submit that the question posed in the *NPRM* as to “whether...Lifeline/LinkUp can effectively support broadband adoption by low-income households” must be answered in the affirmative. That is, whatever the outcome of any pilot programs or the efficacy of potential alternatives to using Lifeline and Link Up for broadband, the Commission in any event *must* transition its Low-Income support program to promote and facilitate broadband adoption. The choice before the Commission is not “whether” to provide support for broadband adoption by low-income individuals, but when and how the Commission will undertake its duty to ensure that all eligible recipients of support can afford access to this century’s crucial telecommunications platforms.

BACKGROUND

The community-based organizations that make up MAG-Net’s local-to-local, grassroots advocacy network operate in a wide range of geographic regions, and are deeply engaged with demographic groups that historically have been – and remain today – unserved and underserved by providers of affordable telecommunications services.¹² For the typically low-income constituents and disadvantaged communities that the MAG-Net Commenters’ respective organizations most often serve, affordable access to telecommunications services plays a key role in attaining social justice ends. As MAG-Net’s comments in the Joint Board proceeding explained, “[t]he social, political, educational, and economic benefits of access to affordable

¹¹ *Id.* ¶ 280.

¹² *See* MAG-Net Joint Board Comments at 3; *see also* “About MAG-Net,” Media Action Grassroots Network website, at <http://mag-net.org/about> (last visited Apr. 20, 2011).

telecommunications services provide a means for self-sufficiency, alleviate the impact of poverty for low-income households, serve as a form of empowerment in our digital economy and education system, and contribute to a sense of dignity.”¹³ Therefore, as MAG-Net and its members have indicated in outreach materials developed for and distributed to lawmakers, partner organizations, community organizers, and individuals across the nation, “[c]ommunication is an essential human need and fundamental human right,” while “widespread availability and adoption of broadband technology is vital to U.S. jobs, and our economy.”¹⁴

Such policy considerations are central to the Communications Act and to the conception of the Universal Service Fund enshrined in the statute. The entire purpose of the Federal Communications Commission is “to make available, so far as possible, to *all* the people of the United States, without discrimination on the basis of race, color, religion, national origin, or sex, a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with *adequate facilities at reasonable charges*.”¹⁵ Section 254 of the Act reinforces this mission by charging the Commission with promoting universal, advanced communications and information services that are “available at just, reasonable, and affordable rates” to “[c]onsumers in all

¹³ MAG-Net Joint Board Comments at 3.

¹⁴ See Amalia Deloney, Center for Media Justice, “The Future of the Internet: Universal Service Fund Subsidies” (Sept. 2010), *available at* <http://www.mag-net.org/content/future-internet-universal-service-fund-subsidies>, and attached hereto as Attachment A.

¹⁵ 47 U.S.C. § 151 (emphases added). The Communications Act may be said to have focused originally on only “basic” telecommunications, and MAG-Net members have argued persuasively in other proceedings that broadband Internet access is just such a basic telecommunications service. See Comments of Center for Media Justice, Consumers Union, Media Access Project, and New America Foundation, GN Docket No. 10-127, at 14-20 (filed July 15, 2010). Yet no matter how the Commission may classify Internet access for regulatory purposes, it is clear that the Telecommunications Act of 1996 expanded the universal service mandate, as it required the Commission to define universal service in a manner that accounts for “advances in telecommunications and information technologies and services.” See 47 U.S.C. § 254(c)(1).

regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas,” and “that are reasonably comparable to those services provided in urban areas...at rates that are reasonably comparable to rates charged for similar services in urban areas.”¹⁶ As MAG-Net has asserted consistently in its education, advocacy, and outreach on these issues, our society’s “increasing reliance on new digital technologies – like mobile communications – require reforms to the Universal Service Fund”¹⁷ to ensure access to fixed and mobile voice *and* broadband services, which are viewed by many as the “adequate facilities”¹⁸ of the 21st century.

For all these reasons, the MAG-Net Commenters welcome the opportunities presented by the Joint Board proceeding and now by this *NPRM* to comment on reforms to the Lifeline and Link Up programs. MAG-Net continues to support broadening the Low-Income program’s eligibility criteria, streamlining verification procedures, and devising effective outreach for Lifeline and Link Up, all to facilitate greater access to and adoption of advanced telecommunications services by members of the least-served communities.

The MAG-Net Commenters once again call upon the Commission to expand the Low-Income program in order to more explicitly and readily support broadband and mobile services, in addition to supporting continued access to voice services on which the Commission has in the past focused Lifeline and Link Up support. Improved adoption for increasingly essential and ubiquitous Internet offerings and information services, all of which are or should be available over the advanced telecommunications platforms that broadband networks represent, greatly advances the social, political, educational and economic well-being of those with affordable

¹⁶ 47 U.S.C. § 254(b)(1), (3).

¹⁷ See Attachment A.

¹⁸ 47 U.S.C. § 151; *see also* Attachment A.

access.¹⁹ For low-income individuals and typically marginalized groups, increased connectivity and communications capability should qualify as basic household necessities on par with shelter, health care, clothing, and energy needs. Yet without programs such as Lifeline and Link Up, many low-income households would be forced to do without such telecommunications services so that they can obtain other basic goods and services instead.²⁰

The MAG-Net Joint Board comments contained additional documentation regarding the benefits of broadband connectivity for the low-income individuals and populations that Lifeline and Link Up support.²¹ Without recounting all of that evidence in this submission, the MAG-Net Commenters incorporate herein by reference their earlier comments and reply comments in CC Docket No. 96-45 and WC Docket No. 03-109. The majority of commenters participating in the Joint Board proceeding agreed with the assessment that Lifeline and Link Up must be

¹⁹ As MAG-Net noted in the Joint Board proceeding, the social benefits of affordable access to broadband are readily apparent. *See* MAG-Net Joint Board Comments at 4 n.4 (citing Comments of the National Cable & Telecommunications Association on NBP Public Notice #16, GN Docket Nos. 09-47, 09-51, 09-137, at 19-20 (filed Dec. 1, 2009) (“[I]n some low-income areas where laptops or netbook-like devices and home broadband connections have been provided to children, and the technology was thoughtfully integrated into learning and instruction, research shows positive effects on student academic performance, engagement, and attitude.”); Comments of Public Knowledge, Media Access Project, the New America Foundation, and U.S. PIRG, GN Docket No. 09-51, at 1 (filed June 8, 2009) (“[A]ccess to broadband has become an essential utility.... Students have at their fingertips educational resources not conceivable a few years ago. Some sources of news and information, once confined to the printed page, are to be found online only.”)).

²⁰ *See, e.g.*, Comments of the Public Utility Law Project of New York, CC Docket No. 96-45, at 3 (filed Apr. 11, 1996) (“PULP in the last year received numerous unsolicited letters from persons notified...of their Lifeline eligibility, and that their monthly basic service rate would be lowered to \$1, a savings of approximately \$10 per month. One customer stated: I am writing you because I have just received your letter offering my family life-line. I was really touched that someone really cares about the needs of families like mine. You have just gave my children milk for the month. Thank you very much.”).

²¹ *See* MAG-Net Joint Board Comments at 5-8 (noting that lack of access to advanced and adequate communications facilities decreases opportunities, depresses dignity and self-sufficiency, and increases the financial struggles of low-income individuals).

modernized to support broadband connectivity and services.²² The National Broadband Plan came to similar conclusions regarding the importance of broadband availability and adoption by low-income individuals, noting that while “it is difficult to quantify the costs of digital inequality” and of poverty itself, what is certain is “that people will not experience the promised benefits of broadband – increased earning potential, enhanced connections with friends and family, improved health and a superior education – without a connection.”²³ For these reasons, the National Broadband Plan noted: “Broadband is a platform for social and economic opportunity. It can lower the geographic barriers and help minimize socioeconomic disparities – connecting people from otherwise disconnected communities to job opportunities, avenues for educational advancement and channels for communication.”²⁴

Likewise, the Commission must account for the increasing utility and ubiquity of mobile voice, messaging, and data services in making forward-looking reforms to USF’s Low-Income program. MAG-Net’s “Mobile Justice” campaign, its research, and its education efforts have focused on the fact that low-income individuals, including members of communities of color, disproportionately rely on mobile connections to fulfill their communications needs.²⁵ The

²² See Public Interest Reply Comments at 2-4 (citing, for example, Comments of the United States Telecom Association, WC Docket No. 03-109, CC Docket No. 96-45, at 3 (filed July 15, 2010) (“[T]he marginal value of broadband often is even higher to those in low-income households because many low-income consumers have a special need for technologies that lower geographic barriers,...connect people to job opportunities,...and expand channels for communication.”)).

²³ National Broadband Plan at 129.

²⁴ *Id.* at 169, Box 9-1.

²⁵ See Amalia Deloney, Center for Media Justice, “The Mobile Internet: Communities of Color and Low-Income Families” (Feb. 2011), *available at* <http://www.mag-net.org/content/mobile-internet-communities-color-and-low-income-families>, and attached hereto as Attachment B (“According to a report by the Pew Research Center, 18% of blacks and 16% of English-speaking Latinos access the Internet only from their cell phones, compared with 10% of whites.”).

Commission can and should preserve Lifeline and Link Up support for traditional voice services. Yet, it also should increase the flexibility of the Low-Income mechanisms in recognition of the many benefits that mobile connectivity engenders, and should promote the deployment and adoption of wireline and wireless broadband facilities that are quite capable of supporting voice service delivered on broadband platforms.

When implementing the universal service provisions of the Telecommunications Act of 1996, the Commission instituted the Lifeline and Link Up programs because “the Act evinces a renewed concern for the needs of low-income citizens [as] Congress expresses the principle that rates should be ‘affordable,’ and that access should be provided to ‘low-income consumers’ in all regions of the nation.”²⁶ The Commission must reform and modernize these mechanisms to account for the continued challenges that low-income consumers face, as well as the rapidly evolving technology that these individuals need to keep pace in an economy and society increasingly reliant on broadband access and mobile connectivity. The MAG-Net Commenters submit the brief comments that follow to renew their call for reforms proposed in MAG-Net’s prior filings in these dockets. These comments also question some few proposals in the *NPRM* that would decrease the utility of the Low-Income mechanisms – an especially unfortunate potential outcome at a time when it is most essential to improve the vitality and effectiveness of programs that close the digital divides faced by MAG-Net member organizations’ constituencies.

²⁶ In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, *Report & Order*, 12 FCC Rcd 8776, ¶ 335 (1997).

DISCUSSION

I. Lifeline and Link Up Eligibility Criteria Should Define Affordability Realistically, and Expand Program Availability to Comport with Universal Service Principles.

As MAG-Net Commenters indicated above, Lifeline and Link Up deliver a basic need to low-income households. Subsidies for communications service adoption cannot eliminate all financial stress for the individuals and families that benefit from support, but such subsidies do alleviate some of the impact of economic hardship. The eligibility criteria for providing such assistance should be realistic and should serve low-income individuals and communities according to their need for these basic communications capabilities.

The MAG-Net Commenters understand the need for program efficacy and accountability. They support of course any reforms that will maximize the usefulness of the Low-Income program for intended recipients by eliminating unnecessary overhead, inefficient spending, or actual abuse. Unfortunately, the *NPRM*'s incessant incantation of the phrase "waste, fraud, and abuse"²⁷ to conjure the specter of a Low-Income program gone awry misses the point of the reforms that these mechanisms need. Thus, while "protect[ing] the universal service fund against waste, fraud, and abuse" does undoubtedly "benefit[] consumers and keep[] rates more affordable for all consumers by reducing the need to collect funds for the program that are not appropriately utilized,"²⁸ the failing of Lifeline and Link Up to this point has been underutilization of these programs by fully eligible individuals. The *NPRM*'s concession that growth

²⁷ See, e.g., *NPRM* ¶ 46. While not fond of using simplistic automated word counts to determine the priorities enunciated in Commission documents, MAG-Net notes that the *NPRM*, appendices, and Commissioner statements apparently contain no fewer than 75 repetitions of the phrase "waste, fraud, and abuse" or similar, but only 18 instances of the word "poverty" – and that generally only in reference to the federal poverty guidelines used to determine eligibility.

²⁸ *Id.* ¶ 39.

in the size of the fund is “not necessarily indicative of waste, fraud, and abuse”²⁹ does not do nearly enough to acknowledge the historic and continuing under-utilization of the Low-Income program, nor the fact that one main reason for recent growth in the size of the fund is a long overdue improvement in outreach methods and genuine participation.

While eliminating waste, fraud, or abuse if and when it actually occurs would be commendable, MAG-Net Commenters are more troubled by the unfortunate statistics reported at the outset of the *NPRM*. In 2009, some “8.6 million eligible households participated in Lifeline nationwide, which represented [only] 33 percent of the 25.7 million low-income households at the time.”³⁰ Different enrollment and outreach programs in different states may help to explain variations in participation rates by state, but the national figure remains shockingly low – especially considering the insufficiently low income thresholds discussed below, and the unduly harsh tests for eligibility too often in place for Lifeline and Link Up.

MAG-Net Commenters suggested during the Joint Board proceeding that eligibility criteria should not be based on unduly restrictive or narrow application of federal poverty income guideline percentages, nor tied inflexibly to eligibility tests for other federal and state assistance programs in which an applicant participates. Rather, the criteria should be based on more accurate indicia of low-income status and the meaning of affordability, taking into account the total percentage of income that a household spends on connectivity. The *NPRM* seeks comment on potentially changing the current Lifeline and Link Up income eligibility criteria, which set household income at 135% of the federal poverty guidelines as the default maximum income for

²⁹ *Id.* ¶ 144.

³⁰ *Id.* ¶ 25.

Low-Income program recipients.³¹ The *NPRM* asks specifically about moving the eligibility default to income to 150% of federal poverty guidelines; yet it notes that the federal poverty guidelines have themselves been criticized as outdated, and cites reports suggesting that even earning 150% of the guideline does not permit a household to be self-sufficient.³²

MAG-Net referred in its Joint Board Comments to a report on the characteristics of low-income families, which observed that approximately one-third of all families with children have incomes below 200% of the federal poverty level.³³ That report states that such low-income families “are nearly twice as likely as middle-income families to report skipping meals or not being able to pay for food (‘food insecurity’), half again as likely to miss rent, mortgage, or utility payments (‘housing insecurity’), and twice as likely to lack health insurance as middle-income families.”³⁴ In light of this data, MAG-Net Commenters reiterate their conclusion that even low-income families earning at or below 200% of the federal poverty level would not find basic telecommunications services affordable.

Whether or not the Low-Income program explicitly supports broadband adoption, an increase from the current 135% threshold to at least the 150% figure cited in the *NPRM* would serve the interest of justice and the goal of universal service, as Section 254(b) of the Act mandates Commission promotion of “affordable” services. MAG-Net Commenters maintain

³¹ See *id.* ¶¶ 21, 152-157. As the *NPRM* also reports, this means that a family of four earning more than \$30,173 would not qualify for Lifeline/Link Up assistance on the basis of the default income threshold determination, nor would a single individual earning more than a paltry \$14,072. See *id.* ¶ 21, Chart 1.

³² See *id.* ¶ 157.

³³ Gregory Acs & Austin Nichols, The Urban Institute, “An Assessment of the Income and Expenses of America’s Low-Income Families: Using Survey Data from the National Survey of America’s Families” (Sept. 28, 2006), *available at* http://www.urban.org/UploadedPDF/411382_surve.pdf.

³⁴ *Id.* at 7.

that moving to an even higher level of income expressed as a percentage of federal poverty guideline earnings would be even more beneficial. This is so especially because the Low-Income programs can and must transition to support broadband in the near term and because broadband services tend to be even more expensive than basic phone service – and thus more unaffordable for people who would most benefit from the improved economic opportunities that broadband access brings with it.³⁵ MAG-Net Commenters believe that the Commission should measure “affordability” for broadband or bundled services differently from affordability for voice services,³⁶ and accordingly should increase the maximum income level for eligible recipients as the Low-Income program transitions to support individuals’ adoption of broadband-based service offerings.

II. Coordinated Enrollment Procedures Would Improve Program Participation and Better Serve Qualified Potential Applicants.

The *Referral Order* initially sought comment on “whether certain classes of individuals, such as residents of homeless shelters, should be automatically eligible for participation in the low-income programs.”³⁷ In response, the MAG-Net Commenters expressed their strong support for such automatic eligibility, explaining that homeless individuals and members of similarly disadvantaged classes often do not have the documentation or the required information to prove eligibility for the Low-Income programs. Yet their inability at times to demonstrate eligibility does not diminish their need to utilize basic telecommunications services to stay connected with family, secure a job interview, search for resources, or gain access to opportunities for political and civic engagement. The MAG-Net Commenters further explained that these obstacles

³⁵ See *supra* notes 19, 22.

³⁶ See *NPRM* ¶ 44.

³⁷ *Referral Order* ¶ 15.

likewise may affect individuals living in transitional housing, battered women’s shelters, half-way houses, and co-housing or multifamily housing settings, suggesting that “[a]ll individuals so situated, and those in other vulnerable populations such as refugees and immigrants, may face barriers to application that the Commission can and should remove, including those based on such individual’s concerns for privacy and physical safety.”³⁸

The *NPRM* appears to take a more cautious stance on the benefits of automatic enrollment measures. It encourages the use of “coordinated” rather than “automatic” enrollment, where “coordinated” measures require the eligible consumer to choose affirmatively to enroll in Lifeline rather than being automatically signed up.³⁹ Despite its emphasis on requiring an affirmative opt-in for Lifeline, the *NPRM* still discusses in several instances the benefits of automatic enrollment.⁴⁰ MAG-Net Commenters continue to support adoption of automatic enrollment requirements, or at the very least “coordinated” approaches, for states that wish to participate in the federal Low-Income program.

MAG-Net also continues to believe that persons who receive need-based benefits in various federal and state categories such as Medicaid, Food Stamps, Supplemental Security Income, Housing Assistance, and Home Energy Assistance, among others, should be automatically enrolled in the Lifeline and/or Link Up program, and that sign-up opportunities for the USF Low-Income program should be available at public schools for which a majority of the school population qualifies for free and reduced meals. Such automatic enrollment processes would eliminate cumbersome administrative burdens and costs, and likely would increase

³⁸ MAG-Net Joint Board Comments at 9-10.

³⁹ See *NPRM* ¶¶ 199-201.

⁴⁰ See, e.g., *id.* ¶ 202 (observing that a GAO Report touching upon state enrollment procedures had “noted that states in its survey found that using various types of automatic enrollment procedures has a positive impact on reaching and enrolling eligible consumers”).

participation of eligible households. The decision also would come without much risk of waste, fraud, or abuse, as the process would depend on the determinations of public agencies that already verify eligibility for various federal and state need-based programs. A coordinated enrollment procedure that requires opt-in to receive Lifeline/Link Up assistance *could* work in similar fashion to improve participation, but only in conjunction with additional steps to improve outreach and communicate the benefits of Lifeline/Link Up to all eligible applicants.

In that regard, the Commission's outreach rules should continue to ensure that providers advertise discounted service availability in languages "that can be read or accessed by any sizeable non-English speaking populations within a carrier's service area."⁴¹ The Commission should enforce this policy, and improve upon it to ensure that service providers will make available to state agencies and community anchor institutions any culturally and linguistically relevant materials for outreach to communities that predominantly speak other languages. Adoption of such recommendations and improvements in outreach implementation would be likely to increase participation by qualified applicants for support.⁴²

III. The Commission Should Reexamine the "One-Per-Household" Rule in Light of the Changed Nature of Communications Services and the Increased Need for Mobile Connectivity.

The *NPRM* makes the frankly obvious and yet welcome observation that "telephone use has changed" since first implementation of the universal service statutes enacted in 1996, noting that "[f]ifteen years ago, wireless service was not a mainstream consumer offering; today, 93

⁴¹ *Referral Order* ¶ 32 (citing Lifeline and Link-Up, WC Docket No. 03-109, *Report and Order and Further Notice of Proposed Rulemaking*, 19 FCC Rcd 8302, ¶¶ 45, 47 (2004)); *see also NPRM* ¶ 231.

⁴² *See Referral Order* ¶ 32 n.73.

percent of the general population has wireless service.”⁴³ Thus, as the *NPRM* seems to imply in at least some passages, Lifeline and Link Up should no longer be confined to a single landline per household because of the increasingly essential nature of mobile connectivity because of other problems with the Commission’s definitions of eligible “households” or “residences.”

Yet despite acknowledgments that “the increasing availability of wireless Lifeline services has...made it more difficult to limit low-income support to a single line per residence,”⁴⁴ the *NPRM* ultimately arrives at the wrong conclusion and suggests codification of a bright-line one-per-residential address rule along with other measure to prevent duplicate claims.⁴⁵ Rather than fighting in this manner the obvious changes in the nature of and need for personalized and mobile communications devices, the Commission should instead adopt the suggestions made during the Joint Board proceeding and in other Lifeline/Link Up proceedings to limit assistance to one supported service per eligible adult.⁴⁶ Allowing each adult to demonstrate eligibility and qualify for support would indeed “better serve the needs of low-income consumers in light of [the Commission’s] statutory obligations, as well as the changing communications marketplace.”⁴⁷ As MAG-Net Commenters asserted during the Joint Board proceeding, rather than limiting households to only one supported wireline *or* one supported wireless service, the Commission should reconsider and revise the one-per-household rule.

The growing use of mobile wireless services demands such reconsideration. Mobile services may complement but not necessarily replace a residential wireline connection for some

⁴³ *NPRM* ¶ 110 & n.185.

⁴⁴ *Id.* ¶ 105.

⁴⁵ *See id.* ¶¶ 105-109.

⁴⁶ *See id.* ¶ 110.

⁴⁷ *Id.*

low-income individuals. Regardless of such substitutability considerations, mobile connectivity can be the best or the only option at times for low-income individuals to access an array of economic, educational, and social opportunities. Just as low-income consumers should not have to choose between other basic necessities and utilities, a low-income consumer should not have to choose between a wireline and a wireless connection when seeking access to modes of communication. As MAG-Net has suggested in earlier filings and reiterates here, expanding the Lifeline program to support broadband and mobile services more explicitly and more effectively is essential for improving low-income communities' access to advanced telecommunications capabilities.⁴⁸ Making available new supported mobile service options – in addition to useful but limited options offered by TracFone's "SafeLink Wireless" program⁴⁹ and by other carriers who offer prepaid wireless service with Lifeline support – would increase participation of undoubtedly eligible Lifeline recipients.⁵⁰

⁴⁸ See, e.g., Comments of Access Humboldt, Appalshop, California Center for Rural Policy, Center For Media Justice, Center For Rural Strategies, Main Street Project, Media Action Grassroots Network, Mountain Area Information Network, New Mexico Literacy Project, Rural Broadband Policy Group, Texas Media Empowerment Project, Thousand Kites, and Public Knowledge on NBP Public Notice #19, GN Docket Nos. 09-137, 09-51, 09-47, at 8 (filed Dec. 7, 2009).

⁴⁹ While service plans and minutes available to participants vary by state, the SafeLink program caps users' minutes at levels too low to make the program as valuable as it should be for recipients. See Lifeline/SafeLink Fact Sheet, <https://www.safelinkwireless.com/EnrollmentPublic/benefits.aspx> (last visited Apr. 21, 2011); see also Comments of Free Press, GN Docket No. 09-51, at 239 (filed June 8, 2009) ("Free Press Comments") ("[L]ow-income households are increasingly solely reliant on mobile phones for telephone service, and the limited availability of mobility Lifeline carriers is reducing overall participation in the program.").

⁵⁰ Low-income consumers trend towards using the mobile phone as their primary communication device. See, e.g., Janice A. Hague, "Whose Call Is It? Targeting Universal Service Programs to Low-Income Households' Telecommunications Preferences," 33 Telecomm. Pol'y 129, 136–38 (2009), available at http://warrington.ufl.edu/purc/purcdocs/papers/0805_Hauge_Whose_Call_is.pdf; see also Aaron Smith, Pew Internet & American Life Project, *Mobile Access 2010*, at 5 (July 2010), available at <http://www.pewinternet.org/Reports/2010/Mobile-Access-2010.aspx> ("Continuing a trend we first identified in 2009, minority Americans lead the way when it comes to mobile access – especially mobile access

The MAG-Net Commenters respectfully submit that Lifeline and Link Up reform must recognize current realities and trends, such as low-income consumers tendency to choose mobile services as their entry point for advanced capabilities and Internet access. These facts and other considerations – such as the unintended and undesirable potential application of the one-per-household rule to prevent unrelated residents of homeless shelters living at same address from each obtaining supported services⁵¹ – necessitate reconsideration, not re-emphasis of this rule. Therefore, whatever the outcome of the Commission’s deliberations on the applicability of the one-per-residence limitation in the context of wireless services, the MAG-Net Commenters support any and all efforts suggested in the *NPRM* to eliminate unfair application of the rule that denies support to qualified individuals living in commercially zoned buildings, tribal areas, or group living quarters such as senior assisted living centers or domestic violence shelters.⁵²

IV. Improved Verification Procedures Should Not Unduly Burden Eligible Recipients.

The *NPRM* proposes “to eliminate the option of self-certifying eligibility and to require all consumers in all states to present documentation of program eligibility when enrolling” for Lifeline and Link Up.⁵³ It makes this suggestion in conjunction with further discussion of coordinating enrollment between Lifeline/Link Up and other social service assistance programs in order to “reduce barriers to participation in the program by service providers and low-income households” alike.⁵⁴ MAG-Net supports Commission efforts to reform and maintain the efficacy and efficiency of the Low-Income program, because identifying individuals who are not

using handheld devices.”); Free Press Comments at 239 (“[L]ow-income households have a strong preference for the flexibility of pre-paid mobile plans.”).

⁵¹ See *NPRM* ¶¶ 117-125.

⁵² See *id.*

⁵³ See *id.* ¶ 150.

⁵⁴ *Id.*

qualified even under the expanded eligibility rules proposed above would make support available to those who truly need assistance.

Yet, requiring additional documentation over and above what individuals already must provide to qualify for other assistance programs could diminish the effectiveness of the Lifeline and Link Up programs. Even providing the type and level of documentation required by most states already proves burdensome for many low-income individuals, and the process often comes with the stigma associated with admitting and then proving need. The Commission should not adopt any policy that places an unfair burden on an already vulnerable population. Such policies likely would result in the rejection and distrust of the federal Low-Income programs by low-income individuals, and therefore would be counterproductive to increasing program participation above the already low levels cited in the *NPRM*.

Moreover, adding new verification procedures that might be equally as complicated or more so than existing application requirements would come at some administrative cost to the Low-Income program. Furthermore, as MAG-Net has noted previously in this docket, some individuals applying for service already are unable to provide responses to seemingly innocuous questions, such as a home address inquiry. These questions can be difficult or impossible to answer for individuals without a stable home address at the time of application or at the time of any later verification procedure. Adding new and unduly burdensome verification requirements to an already complicated, stigmatized, stressful, and oftentimes byzantine application process for need-based programs would diminish the Low-Income program's effectiveness rather than improve it.

V. The Commission Should Expand the Low-Income Program to Provide Support for Broadband, and Must Not Cap the Fund Nor Wait for Definitive Pilot Program Results to Initiate this Transition.

For all of the reasons set forth in the Introduction and Background sections of these comments and in the *NPRM* itself, MAG-Net wholly endorses the modernization of USF Low-Income program to provide adoption support and discounts for broadband connectivity and services.⁵⁵ The Commission also has recognized the importance of this transition, and its proposal to initiate pilot programs exploring the best methods for making that transition could be a promising start – so long as those pilot programs are well designed and executed.

MAG-Net Commenters note with interest, for example, the potential value of pilot programs that could “test different approaches to providing support for broadband to low-income consumers across different geographic areas” and that could address “unique barriers faced by certain groups of low-income non-adopters such as Tribal communities or Americans for whom English may be a second language.”⁵⁶ MAG-Net Commenters also note the *NPRM*’s assessment that “[t]he cost of customer equipment necessary to access the Internet (including computers or other devices) has been shown to be a major barrier to adoption, particularly for low-income households,”⁵⁷ and thus support the suggestion to require that some pilot program participants provide recipients with necessary computer hardware. However, beginning to implement pilot programs and study the transition to broadband is not enough, and the Commission actually must commence that comprehensive transition with all due speed.

⁵⁵ See, e.g., *id.* ¶¶ 266-275.

⁵⁶ *Id.* ¶ 280.

⁵⁷ *Id.* ¶ 283.

What the Commission certainly must not do at this time, therefore, is impose a cap on Lifeline or Link Up⁵⁸ – on programs that, as the *NPRM* acknowledges, have historically served only a fraction of eligible low-income households even with the current overly restrictive standards for qualifying as “low-income.” The imposition of any cap would dampen the effectiveness of improved outreach, and undeniably would result either in (1) reduced benefits for all eligible recipients or (2) arbitrary denial of benefits to some eligible recipients. Neither result is acceptable, especially at a time when USF must look to the present and future communications service needs for low-income consumers, who increasingly will be left behind without access to adequate and affordable broadband telecommunications facilities.

CONCLUSION

For the foregoing reasons, the MAG-Net Commenters suggest that the Commission take the steps described herein to reform and modernize Lifeline and Link Up, implementing policies that will raise maximum income thresholds, improve enrollment and outreach, and reflect the trend towards broadband and mobile communications.

Respectfully Submitted,

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⁵⁸ See, e.g., *id.* ¶¶ 145-146.